

BLACKROCK PREFERRED & EQUITY ADVANTAGE TRUST
Form N-CSR
January 07, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES**

Investment Company Act file number 811-21972

Name of Fund: BlackRock Preferred and Equity Advantage Trust (BTZ)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive Officer, BlackRock Preferred and Equity Advantage Trust,
800 Scudders Mill Road, Plainsboro, NJ, 08536. Mailing address: P.O. Box 9011, Princeton, NJ,
08543-9011

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 10/31/2007

Date of reporting period: 11/01/2006 - 10/31/2007

Item 1 Report to Stockholders

EQUITIES FIXED REAL LIQUIDITY ALTERNATIVES BLACKROCK
INCOME ESTATE SOLUTIONS



Closed-End Funds

ANNUAL REPORT | OCTOBER 31, 2007

[BlackRock Broad Investment Grade 2009 Term Trust Inc. \(BCT\)](#)

[BlackRock Core Bond Trust \(BHK\)](#)

[BlackRock High Yield Trust \(BHY\)](#)

[BlackRock Income Opportunity Trust \(BNA\)](#)

[BlackRock Income Trust Inc. \(BKT\)](#)

[BlackRock Limited Duration Income Trust \(BLW\)](#)

[BlackRock Preferred and Equity Advantage Trust \(BTZ\)](#)

[BlackRock Strategic Bond Trust \(BHD\)](#)

NOT FDIC INSURED
MAY LOSE VALUE
NO BANK GUARANTEE

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A Letter to Shareholders

Dear Shareholder

The October reporting period was fairly tumultuous for financial markets, but culminated in positive performance for most major benchmarks:

Total returns as of October 31, 2007

	6-month	12-month
U.S. equities (S&P 500 Index)	+5.49 %	+14.56%
Small cap U.S. equities (Russell 2000 Index)	+2.25 %	+9.27%
International equities (MSCI Europe, Australasia, Far East Index)	+8.19 %	+24.91%
Fixed income (Lehman Brothers U.S. Aggregate Bond Index)	+2.68 %	+5.38%
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	+1.30 %	+2.91%
High yield bonds (Lehman Brothers U.S. Corporate High Yield 2% Issuer Cap Index)	-0.07 %	+6.89%

Past performance is no guarantee of future results. Index performance shown for illustrative purposes only. You cannot invest directly in an index.

Subprime mortgage woes dominated headlines for much of 2007, but intensified in the summer and fall, spawning a widespread liquidity and credit crisis with ramifications across global markets. The Federal Reserve Board (Fed) and other countries' central banks stepped in to inject liquidity into the markets and bolster investor confidence. The Fed cut the federal funds rate by 0.50% in September and another 0.25% on the final day of the reporting period, bringing its target rate to 4.50%. In taking action, the central bankers, who had long deemed themselves inflation fighters, were seeking to stem the fallout from the credit crunch and forestall a wider economic unraveling. By period-end, the Fed had cited the risks between slower economic growth and faster inflation as equally balanced.

Amid the volatility throughout the past year, equity markets have displayed surprising resilience. Most recently, the credit turmoil dampened corporate merger-and-acquisition (M&A) activity, a key source of strength for equity markets. Still, market fundamentals have held firm, dividend payouts and share buybacks have continued to grow, and valuations remain attractive. These tailwinds generally have prevailed over the headwinds created by the slowing U.S. economy, troubled housing market and, recently, a more difficult corporate earnings backdrop. International markets fared even better than U.S. equities, benefiting from robust M&A activity and generally stronger economies.

In fixed income markets, mixed economic signals and the credit woes resulted in a flight to quality. At the height of the uncertainty, investors shunned bonds associated with the housing and credit markets in favor of higher-quality Treasury issues. The yield on 10-year Treasury issues, which touched 5.30% in June (its highest level in five years), fell to 4.48% by period-end, while prices correspondingly rose. The tax-exempt bond market has been challenged by a combination of record-setting supply year-to-date, economic uncertainty and concerns around the credit worthiness of bond insurers. This has brought municipal bond prices to relatively attractive levels and, as such, demand generally has remained firm.

As you navigate market volatility, we encourage you to review your investment goals with your financial professional and to make portfolio changes, as needed. For more market insight and commentary from BlackRock investment professionals, we invite you to visit www.blackrock.com/funds. As always, we thank you for entrusting BlackRock with your investment assets, and we look forward to continuing to serve you in the months and years ahead.

Sincerely,

Robert C. Doll, Jr.

Vice Chairman, BlackRock, Inc.

THIS PAGE NOT PART OF YOUR TRUSTS REPORT

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Trust Summary as of October 31, 2007

BlackRock Broad Investment Grade 2009 Term Trust Inc. (BCT)

Investment Objective

The Trust's investment objective is to manage a portfolio of fixed income securities that will return \$15 per share (the initial public offering price per share) to investors on or about December 31, 2009 while providing high monthly income.

Trust Information

Symbol on American Stock Exchange:	BCT
Initial Offering Date:	June 17, 1993
Yield on Closing Market Price as of October 31, 2007 (\$15.15): ¹	5.94%
Current Monthly Distribution per Share: ²	\$ 0.075
Current Annualized Distribution per Share: ²	\$ 0.900

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² A change in the distribution rate was declared on November 1, 2007. The Monthly Distribution per Common Share was decreased to \$0.049. The Yield on Closing Market Price, Current Monthly Distribution and Current Annualized Distribution do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.

The table below summarizes the changes in the Trust's market price and net asset value per share:

	10/31/07	10/31/06	Change	High	Low
Market Price	\$ 15.15	\$ 15.08	0.46%	\$ 15.65	\$ 14.82
Net Asset Value	\$ 13.38	\$ 13.79	(2.97)%	\$ 13.81	\$ 13.36

The following unaudited chart shows the portfolio composition of the Trust's long-term investments:

Portfolio Composition

Composition	10/31/07	10/31/06
Agency Multiple Class Mortgage Pass-Through Securities	31%	28%
Taxable Municipal Bonds	18	11
Non-Agency Multiple Class Mortgage Pass-Through Securities	16	
Inverse Floating Rate Mortgage Securities	15	8

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Corporate Bonds	9	14
Interest Only Mortgage-Backed Securities	8	7
Mortgage Pass-Through Securities	3	2
U.S. Government and Agency Securities		30

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Trust Summary as of October 31, 2007

BlackRock Core Bond Trust (BHK)

Investment Objective

The Trust's investment objective is to provide current income and capital appreciation.

Trust Information

Symbol on New York Stock Exchange:	BHK
Initial Offering Date:	November 27, 2001
Yield on Closing Market Price as of October 31, 2007 (\$12.23): ¹	6.57%
Current Monthly Distribution per Share: ²	\$0.067
Current Annualized Distribution per Share: ²	\$0.804
Leverage as of October 31, 2007: ³	22%

- Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- A change in the distribution rate was declared on December 5, 2007. The Monthly Distribution per Common Share was decreased to \$0.062. The Yield on Closing Market Price, Current Monthly Distribution and Current Annualized Distribution do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.
- As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

The table below summarizes the changes in the Trust's market price and net asset value per share:

	10/31/07	10/31/06	Change	High	Low
Market Price	\$12.23	\$12.86	(4.90) %	\$13.25	\$11.32
Net Asset Value	\$13.63	\$13.82	(1.37) %	\$14.01	\$13.11

The following unaudited charts show the portfolio composition of the Trust's long-term investments and credit quality allocations of the Trust's corporate bond investments:

Portfolio Composition

Composition	10/31/07	10/31/06
Corporate Bonds	42%	58%
Mortgage Pass-Through Securities	36	10

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Asset-Backed Securities	4	8
Commercial Mortgage-Backed Securities	4	6
U.S. Government and Agency Securities	4	5
Non-Agency Multiple Class Mortgage Pass-Through Securities	4	2
Agency Multiple Class Mortgage Pass-Through Securities	3	8
Trust Preferred Stocks	2	
Interest Only Mortgage-Backed Securities	1	1
Interest Only Asset-Backed Securities		1
Foreign Government Bonds		1

Corporate Bond Breakdown⁴

Credit Rating	10/31/07	10/31/06
AAA/Aaa	6%	7%
AA/Aa	24	26
A	21	10
BBB/Baa	20	17
BB/Ba	7	12
B	16	23
CCC/Caa	6	5

- 4 Using the highest of Standard & Poor's (S&P's), Moody's Investors Service (Moody's) or Fitch Rating (Fitch's) ratings. Corporate bonds represented approximately 66.2% and 58.3% of net assets on October 31, 2007 and 2006, respectively.

Trust Summary as of October 31, 2007

BlackRock High Yield Trust (BHY)

Investment Objective

The Trust's investment objective is to generate high current income and, to a lesser extent, to seek capital appreciation.

Trust Information

Symbol on New York Stock Exchange:	BHY
Initial Offering Date:	December 23, 1998
Yield on Closing Market Price as of October 31, 2007 (\$6.92): ¹	8.84%
Current Monthly Distribution per Share: ²	\$0.051
Current Annualized Distribution per Share: ²	\$0.612
Leverage as of October 31, 2007: ³	15%

1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

2 The distribution is not constant and is subject to change.

3 As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

The table below summarizes the changes in the Trust's market price and net asset value per share:

	10/31/07	10/31/06	Change	High	Low
Market Price	\$6.92	\$7.77	(10.94)%	\$8.70	\$5.83
Net Asset Value	\$7.91	\$7.85	0.76%	\$8.32	\$7.63

The following unaudited charts show the portfolio composition and credit quality allocations of the Trust's corporate bond investments:

Portfolio Composition⁴

Corporate Portfolio Composition	10/31/07	10/31/06
Telecommunications	15%	13%
Energy	14	16
Media	11	11
Basic Materials	10	11
Financial Institutions	10	14
Consumer Products	6	6
Technology	6	5

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Automotive	4	3
Entertainment & Leisure	4	4
Industrials	4	3
Health Care	3	3
Containers & Packaging	3	3
Aerospace & Defense	3	3
Transportation	2	2
Building & Development	2	3
Real Estate	1	
Ecological Services & Equipment	1	
Commercial Services	1	

- 4 For Trust compliance purposes, the Trust's sector and industry classification refer to any one or more of the Standard Industry Codes as defined by the SEC. This definition may not apply for purposes of this report, which may combine sector and industry sub-classification for reporting ease.

Corporate Bond Breakdown⁵

Credit Rating	10/31/07	10/31/06
BBB/Baa	4%	3%
BB/Ba	21	26
B	51	55
CCC/Caa	21	12
C		2
Not Rated	3	2

- 5 Using the highest of S&P's, Moody's or Fitch's rating. Corporate bonds represented approximately 110.4% and 128.9% of net assets on October 31, 2007 and 2006, respectively.

Trust Summary as of October 31, 2007

BlackRock Income Opportunity Trust (BNA)

Investment Objective

The Trust's investment objective is to provide current income and capital appreciation.

Trust Information

Symbol on New York Stock Exchange:	BNA
Initial Offering Date:	December 20, 1991
Yield on Closing Market Price as of October 31, 2007 (\$10.19): ¹	6.48%
Current Monthly Distribution per Share: ²	\$0.055
Current Annualized Distribution per Share: ²	\$0.660
Leverage as of October 31, 2007: ³	22%

- Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- A change in the distribution rate was declared on December 5, 2007. The Monthly Distribution per Common Share was decreased to \$0.051. The Yield on Closing Market Price, Current Monthly Distribution and Current Annualized Distribution do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.
- As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

The table below summarizes the changes in the Trust's market price and net asset value per share:

	10/31/07	10/31/06	Change	High	Low
Market Price	\$10.19	\$10.58	(3.69)%	\$10.88	\$ 9.13
Net Asset Value	\$11.02	\$11.17	(1.34)%	\$11.33	\$ 10.53

The following unaudited charts show the portfolio composition of the Trust's long-term investments and credit quality allocations of the Trust's corporate bond investments:

Portfolio Composition

Composition	10/31/07	10/31/06
Corporate Bonds	38%	48%
Mortgage Pass-Through Securities	36	12
Asset-Backed Securities	7	13
Non-Agency Multiple Class Mortgage Pass-Through Securities	5	6
Agency Multiple Class Mortgage Pass-Through Securities	4	7

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U.S. Government and Agency Securities	3	7
Commercial Mortgage-Backed Securities	3	4
Trust Preferred Stocks	2	
Federal Housing Administration Securities	1	1
Interest Only Mortgage-Backed Securities	1	1
Inverse Floating Rate Mortgage Securities		1

Corporate Bond Breakdown⁴

Credit Rating	10/31/07	10/31/06
AAA/Aaa	8%	9%
AA/Aa	21	17
A	20	10
BBB/Baa	22	19
BB/Ba	6	13
B	17	25
CCC/Caa	6	6
Not Rated		1

4 Using the highest of S&P's, Moody's or Fitch's rating. Corporate bonds represented approximately 64.0% and 52.1% of net assets on October 31, 2007 and 2006, respectively.

Trust Summary as of October 31, 2007

BlackRock Income Trust Inc. (BKT)

Investment Objective

The Trust's investment objective is to manage a portfolio of high quality securities to achieve high monthly income consistent with the preservation of capital.

Trust Information

Symbol on New York Stock Exchange:	BKT
Initial Offering Date:	July 22, 1988
Yield on Closing Market Price as of October 31, 2007 (\$5.81): ¹	6.40%
Current Monthly Distribution per Share: ²	\$0.031
Current Annualized Distribution per Share: ²	\$0.372
Leverage as of October 31, 2007: ³	8%

- 1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- 2 A change in the distribution rate was declared on December 5, 2007. The Monthly Distribution per Common Share was decreased to \$0.024. The Yield on Closing Market Price, Current Monthly Distribution and Current Annualized Distribution do not reflect the new distribution rate. The new distribution rate is not constant and is subject to further change in the future.
- 3 As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

The table below summarizes the changes in the Trust's market price and net asset value per share:

	10/31/07	10/31/06	Change	High	Low
Market Price	\$5.81	\$6.07	(4.28)%	\$6.33	\$5.49
Net Asset Value	\$6.53	\$6.48	0.77%	\$6.61	\$6.25

The following unaudited chart shows the portfolio composition of the Trust's long-term investments:

Portfolio Composition

Composition	10/31/07	10/31/06
Mortgage Pass-Through Securities	27%	22%
Agency Multiple Class Mortgage Pass-Through Securities	26	28
Interest Only Mortgage-Backed Securities	13	10
U.S. Government and Agency Securities	10	20
Non-Agency Multiple Class Mortgage Pass-Through Securities	9	9

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Principal Only Mortgage-Backed Securities	5	5
Inverse Floating Rate Mortgage Securities	4	3
Federal Housing Administration Securities	2	2
Asset-Backed Securities	2	
Commercial Mortgage-Backed Securities	1	
Corporate Bonds	1	1

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Trust Summary as of October 31, 2007

BlackRock Limited Duration Income Trust (BLW)

Investment Objective

The Trust's investment objective is to provide current income and capital appreciation.

Trust Information

Symbol on New York Stock Exchange:	BLW
Initial Offering Date:	July 30, 2003
Yield on Closing Market Price as of October 31, 2007 (\$16.68): ¹	8.99%
Current Monthly Distribution per Share: ²	\$0.125
Current Annualized Distribution per Share: ²	\$1.500
Leverage as of October 31, 2007: ³	14%

- 1 Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- 2 The distribution is not constant and is subject to change.
- 3 As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

The table below summarizes the Trust's market price and net asset value per share:

	10/31/07	10/31/06	Change	High	Low
Market Price	\$16.68	\$18.85	(11.51) %	\$19.89	\$14.20
Net Asset Value	\$18.52	\$19.01	(2.58) %	\$19.38	\$18.08

The following unaudited charts show the portfolio composition of the Trust's long-term investments and credit quality allocations of the Trust's corporate bond investments:

Portfolio Composition

Composition	10/31/07	10/31/06
Bank Loans	42%	36%
Corporate Bonds	37	43
Mortgage Pass-Through Securities	16	14
U.S. Government and Agency Securities	3	4
Foreign Government Bonds	2	2
Non-Agency Multiple Class Mortgage Pass-Through Securities		1

Corporate Bond Breakdown⁴

Credit Rating	10/31/07	10/31/06
AA/Aa	1%	2%
A	4	1
BBB/Baa	8	9
BB/Ba	23	24
B	43	51
CCC/Caa	18	11
Not Rated	3	2

4 Using the highest of S&P's, Moody's or Fitch's rating. Corporate bonds represented approximately 49.1% and 64.3% of net assets on October 31, 2007 and 2006, respectively.

Trust Summary as of October 31, 2007

BlackRock Preferred and Equity Advantage Trust (BTZ)

Investment Objective

The Trust's investment objective is to seek current income, current gains and capital appreciation.

Trust Information

Symbol on New York Stock Exchange:	BTZ
Initial Offering Date:	December 27, 2006
Yield on Closing Market Price as of October 31, 2007 (\$18.65): ¹	10.05%
Current Monthly Distribution per Share: ²	\$0.15625
Current Annualized Distribution per Share: ²	\$1.87500
Leverage as of October 31, 2007: ³	33%

- ¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.
- ² The distribution is not constant and is subject to change.
- ³ As a percentage of managed assets (as defined in Note 2 of the Notes to Financial Statements).

The table below summarizes the changes in the Trust's market price and net asset value per share:

	10/31/2007	High	Low
Market Price	\$18.65	\$25.25	\$15.63
Net Asset Value	\$21.37	\$24.35	\$20.87

The following unaudited charts show the portfolio composition of the Trust's long-term investments and credit quality allocations of the Trust's preferred stock, trust preferred stock and corporate bond investments:

Portfolio Composition⁴

Composition	10/31/07
Financial Institutions	65%
Energy	8
Technology	5
Consumer Products	4
Health Care	4
Telecommunications	3
Real Estate	3
Media	2
Industrials	2
Basic Materials	1
Entertainment & Leisure	1

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Automotive	1
Transportation	1

4 For Trust compliance purposes, the Trust's sector and industry classification refer to any one or more of the Standard Industry Codes as defined by the SEC. This definition may not apply for purposes of this report, which may combine sector and industry sub-classification for reporting ease.

Preferred, Trust Preferred and Corporate Bond Breakdown⁵

Credit Rating	10/31/07
AA/Aa	20%
A	42
BBB/Baa	29
BB/Ba	1
B	6
CCC/Caa	1
Not Rated	1

5 Using the higher of S&P, Moody's or Fitch ratings.

Trust Summary as of October 31, 2007

BlackRock Strategic Bond Trust (BHD)

Investment Objective

The Trust's investment objective is to seek total return through high current income and capital appreciation.

Trust Information

Symbol on New York Stock Exchange:	BHD
Initial Offering Date:	February 26, 2002
Yield on Closing Market Price as of October 31, 2007 (\$11.88): ¹	7.78%
Current Monthly Distribution per Share: ²	\$0.077
Current Annualized Distribution per Share: ²	\$0.924

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

² The distribution is not constant and is subject to change.

The table below summarizes the changes in the Trust's market price and net asset value per share:

	10/31/07	10/31/06	Change	High	Low
Market Price	\$11.88	\$12.85	(7.55)%	\$13.29	\$10.40
Net Asset Value	\$13.80	\$13.83	(0.22)%	\$14.19	\$13.47

The following unaudited charts show the portfolio composition and credit quality allocations of the Trust's corporate bond investments:

Corporate Portfolio Composition³

Composition	10/31/07	10/31/06
Media	17%	14%
Telecommunications	14	12
Energy	13	13
Financial Institutions	12	18
Aerospace & Defense	8	6
Basic Materials	6	6
Consumer Products	5	7
Technology	4	5
Automotive	4	2
Health Care	4	4
Transportation	3	1
Ecological Services & Equipment	3	2